April 21, 2014

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Reply Comments to Comments in Response to Modernizing the E-rate Program for Schools and Libraries Public Notice, WC Docket No. 13-184

Dear Ms. Dortch:

NewSchools Venture Fund (NewSchools) is nonprofit venture philanthropy firm committed to transforming public education through powerful ideas and passionate entrepreneurs so that all children — especially those in underserved communities — have the opportunity to succeed. We believe technology can and must play a key role in this transformation, and for that reason we commend the FCC for pursuing efforts to modernize and simplify the E-rate program.

We are pleased that your efforts have provided significant opportunity for input and dialogue from stakeholders, including as reflected in the Wireline Competition Bureau's March 6th Public Notice.[1] The hundreds of comments submitted as part of this process are rich with insight and ideas on how best to modernize the E-rate program.

After reviewing many of these comments, we respectfully submit this letter highlighting those we believe merit your particular attention as you move forward in the coming months. Overall, our comments reflect the four main recommendations supported by NewSchools: expanding broadband; creating a new "upgrade fund"; improving transparency and efficiency; and simplifying the program to reduce paperwork and bureaucracy. We have thus grouped our comments under those four areas.

1) Focus on broadband connectivity and infrastructure

NewSchools is pleased by the widespread agreement on the need to focus e-rate funds on broadband. This is critical not simply for the purpose of ensuring that all students have access to high-speed Internet in their schools, but so that all students are able to tap into the pipeline of knowledge and infinite opportunities that broadband is able to bring about.

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[1] *Wireline Competition Bureau Seeks Focused Comment on E-Rate Modernization, WC Docket No. 13-184, Public*

(2) Create an "upgrade fund" to connect every school and library to high-speed broadband, with a particular focus on rural schools

NewSchools supports a concept highlighted by the New America Foundation[2] in response to the Commission's request for comments on how it should spend the additional $2 billion in E-rate funding that will become available over the next two years for high-speed Internet access. Specifically, as noted by New America Foundation, *"We believe that the best use of these funds is to support the creation of an Upgrade Fund, which will enable schools and libraries to invest in one-time infrastructure upgrades, prioritizing robust and scalable fiber investments."* While we recognize there are many potential options for allocating these funds, we believe rural schools continue to face particularly significant challenges related to infrastructure, a reality that should be factored in as part of the Upgrade Fund allocation process.

(3) Improve transparency in the program to ensure efficiency and reduce costs

Several groups included insightful comments related to improving efficiency and reducing costs. NewSchools believes there is particular merit in the concept of consortia and bulk purchasing as a strategy for reducing cost (as highlighted in *E-rate PN*, 34-36.) We were pleased to see this idea reflected and expanded upon in several responses.

In particular, the EducationSuperHighway[3] proposed focusing demonstration projects within the E-rate program on "Bulk buying opportunities to help libraries and school districts reduce costs and make the most effective use of E-rate funds." They also proposed a demonstration on "Making the entire Funding Year 2014 E-rate Form 471 data set publicly available as a means of testing the ability of transparency to lower prices and inform decision-making." This too, warrants further consideration.

With respect to leveraging the power of consortia purchases, the State Educational Technology Directors Association (SETDA) noted[4] "local school district capacity to negotiate, plan for, deploy, maintain and leverage the benefits of cost-effective, scalable, high-quality broadband to and throughout all schools is uneven." They added, "If the E-rate is to support the advance of digital learning efforts in all school districts, it must incent the creation or expansion of statewide and multi-district consortia to centralize expertise and consolidate negotiating power. Where purchasing consortia are available to join, school districts should be prohibited from receiving E-rate funds for the excess cost of substantially similar services and equipment over available consortium pricing." This recommendation merits consideration.

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[2] Reply Comments of New America Foundation, WC Docket No. 13-134
http://apps.fcc.gov/ecfs/document/view?id=7521097262
[3] Reply Comments of the EducationSuperhighway, WC Docket No. 12-134
http://apps.fcc.gov/ecfs/document/view?id=7521097256
[4] Reply Comments of the State Educational Technology Directors Association (SETDA), WC Docket No. 12-134
http://apps.fcc.gov/ecfs/document/view?id=7521097294

Comments submitted by the Education Coalition[5] highlighted the need for expanded consortia programs as well as some of the current barriers faced by consortia. As highlighted in their comments, "Unfortunately, the current program structure creates a disincentive for consortia. According to a *Funds for Learning* analysis, it takes 294 days on average for a consortium to receive a funding decision for Priority 1 services compared to 194 days for a single district applicant. Consortia applicants seeking Priority 2 services fare worse – waiting 483 days on average, with some as long as 565 days – compared to an individual applicant with a mere 387 day wait period. Joining a consortium in the E-Rate program as currently structured means accepting an extra 100 day waiting period of uncertainty. The Commission should act expeditiously to remove this impediment."

We concur with this statement and would further highlight the examples included in the Education Coalitions' submission related to Wisconsin's eSchool Network consortium, the North Carolina School Connectivity Initiative, and the Pennsylvania Association of Intermediate Units Network on examples of state efforts to maximize the use of E-Rate funds and pool resources and technical expertise.

The Education Coalition also highlighted the benefit of "bulk buying" and improved procurement as part of their Reply Comments.[6] Those, comments, as follows, are also worth further consideration.

> The proliferation of technology in education provides unique challenges for schools and requires dynamic approaches to ensure maximum benefit when purchasing hardware. The vast and ever-changing nature of the technology landscape is a significant challenge to districts. Hardware choices vary by manufacturer, model, and a variety of specifications. The amount of information available is frequently too great and changes too rapidly for a single individual school to make optimal decisions.

> The Commission should enable applicants to take advantage of statewide contracting and bulk buying opportunities, which can help achieve the goal of cost-effective purchasing while reducing some of the complexities of technology purchasing. The benefits of pooling technology purchases together in this manner are numerous: higher cost savings, increased incremental purchasing power, access to contractual negotiating expertise, efficiencies of scale, mitigation of administrative burdens, greater awareness of best practices, and reduced E-Rate funding demands. NASCIO has asked the FCC to "recognize and prioritize state consortia buyers with State Master Contracts as a unique class for expediting funding applications" because such procurement vehicles "have proven over time that the larger the aggregation of 'connections' or 'equipment' purchased the lower the prices will be.

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[5] Reply Comments of the Education Coalition (includes the Council of Chief State School Officers, Foundation for Excellence in Education, Alliance for Excellent Education, Chiefs for Change, International Association for K-12 Online Learning, Knowledge Alliance, the National Alliance for Public Charter Schools, and the Clayton Christensen Institute for Disruptive Innovation), WC Docket No. 13-134
http://apps.fcc.gov/ecfs/document/view?id=7521097284

[6] Ibid

Furthermore, aggregating demand through state procurement efforts can bolster the economics of deploying advanced services in rural areas. Rural school districts frequently lack the economies of scale necessary to create the economic case for broadband deployment, and states can play a critical function in leveraging demand into programmatic cost savings and bulk buying opportunities. Consortia help to not only negotiate lower pricing but also to aggregate sufficient demand to accelerate commercial providers' build out of services to underserved and remote areas that otherwise would not have access to advanced connectivity.

The Commission should accordingly remove existing disincentives to statewide contract options through "good faith" deference to state procurement regulations and rules and exempt applicants that use state master contracts from E-Rate procurement rules. The Commission should also consider creating better metrics to gauge the efficiency and effectiveness of procurement processes.

With respect to streamlining and improving transparency, NewSchools supports several of the ideas put forth by the New America Foundation as part of their Reply Comments.[7]

The Commission should make changes to the E-rate application to streamline the process and produce more structured, usable data.

The Commission also asks about simple changes that can be made to the E-rate application to streamline the administrative processes. The Commission should approach this issue by considering two distinct questions—one about process (i.e. how the Commission is collecting data) and one about content (i.e. what data the Commission is collecting and from whom)—and find ways to improve both sides of the equation. A streamlined and improved application form will directly contribute to a better understanding of the program as it currently exists and to improvements to the program in the future. To that end, the Commission should think about three related questions: (1) what information is the Commission collecting now that could be improved? (2) What is the Commission not currently asking for that it should be collecting? And (3) what data should be required or described more specifically in order to improve its usefulness?

First and foremost, the Commission should move toward a streamlined application process and an electronic filing system that would easily allow applicants to access information that they have already submitted in the current funding cycle as well as in previous years. For applicants, a simple electronic filing system would eliminate unnecessary paperwork and improve the consistency and accuracy of the data they provide to the Commission. E-filing would also make it easier for the Commission to aggregate and publicly release data such as the Form 471 Block 4 data, which the Commission has already made available for FY 2010.

Wherever possible, the Commission should also encourage applicants to submit the Item 21 attachment electronically, since this form contains vital information about services and

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[7] Reply Comments of New America Foundation, WC Docket No. 13-134
http://apps.fcc.gov/ecfs/document/view?id=7521097262

prices that could help the Commission better evaluate the program. It is possible that this change will require USAC to upgrade or replace its existing systems, but if true, the Commission should make that investment sooner rather than later because it will ultimately be needed in the long run. Using better tools can improve E-rate outcomes and increase efficiency by enhancing our understanding of how program dollars are being spent and on what equipment and services. A simpler application process could also reduce schools' and libraries' reliance on E-rate consultants to navigate the complex forms and requirements, freeing up more money to spend on services and equipment.

Similarly, the Commission should also conduct a review of all the E-rate forms and instructions to ensure that there is parity in what is being collected at each point in the application process. Doing so will not only improve accuracy but also may increase our understanding of the program overall. For example, better data which compare what services schools and libraries request on Form 470 in comparison to what they choose at the conclusion of the competitive bidding process could yield interesting insights about the bandwidth schools and libraries believe they need in comparison to what is available and what they can afford. As we have emphasized, it is also important that the Commission collect specific pricing data about the cost per megabit for services purchased through the E-rate program. These data will provide a picture of the state of broadband connectivity at schools and libraries today more clearly than what can currently be accomplished through survey data, and will also provide the basic information needed to incentivize efficiency and ensure compliance with the rules of the program.

Finally, the Commission should consider what information is not required on the existing forms but should be in order to produce a more complete and uniform dataset. For example, it would not be difficult to require that schools and libraries list all of their National Center for Education Statistics (NCES) and Federal-State Cooperative System (FSCS) codes with as much detail as possible. This would help maximize compatibility between E-rate data and other existing databases on schools and libraries. The information collected from service providers through Form 486 could also be improved and adjusted, and could even reduce or eliminate the need to collect certain information from the schools and libraries themselves.

(4) Radically simplify the program to reduce paperwork and bureaucracy

NewSchools supports efforts to radically simplify the E-rate program to make it easier and less costly for schools and libraries to administer. Several approaches are touched upon above, and other ideas were put forth that warrant consideration.

One approach was put forth by the Consortium for School Networking (CoSN)[8] urging the Commission to "conduct a careful analysis to identify and fill USAC's specific capacity gaps in order to improve the E-rate's operation and maximize the program's cost effectiveness." CoSN noted that

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[8] Reply Comments of the Consortium of School Networking (CoSN), WC Docket No. 13-134
http://cosn.org/sites/default/files/pdf/CoSN%20Erate%20Wireline%20Bureau%20Comments%20Final,%20April%202014.pdf

"[Applicants] experience delays with appeals and other procedural steps, which in turn delay applicant decision making and require USAC to hold millions of program dollars in reserve, which might otherwise be invested in schools. Improving USAC's technology infrastructure and properly calibrating the organization's staffing could help alleviate this problem and appreciably speed the process for busy educator applicants."

Overall, much more needs to be done to ensure that a modernized E-rate program not only results in improved technology, but that technology itself be used to ensure the program is far easier and less costly for schools and libraries to administer.

Conclusion

From our perspective on the frontlines of education innovation, NewSchools believes it is critical for policymakers to recognize the opportunities – and challenges – related to building a high-functioning digital ecosystem that advances student learning. Success cannot be measured solely in megabits. Improving our digital infrastructure and providing high-speed Internet to all schools is merely a means to the laudable end of unlocking innovation and creativity in the classroom (and beyond) to inspire students, teachers, and others.

The following real-world examples illustrate the promise of digital learning and the challenges that E-rate reform can help alleviate:

PresenceLearning

PresenceLearning provides speech-therapy and occupational-therapy services to children over Skype. A challenge for many school districts, particularly those in rural areas, is finding an outstanding certified speech therapist who can provide regular services to students spread throughout a district. By using online therapy and reducing travel costs, PresenceLearning can hire outstanding therapists who spend 100 percent of their time delivering services to students, rather than traveling between schools. PresenceLearning is growing rapidly, but in numerous instances the program's growth has been hampered as a result of inadequate broadband in schools. In one school district in rural New Mexico, for example, the school district superintendent wanted to engage PresenceLearning but decided against it because of limited connectivity.

Mytonomy

Mytonomy is a peer social network through which recent high-school graduates provide college and career counseling advice to current high-school students through a video Q&A format. Mytonomy is dedicated to closing the tremendous "counseling gap" related to college preparation by providing video advice delivered by "counselors" that high-school students will trust. But in some of the urban schools that Mytonomy partners with, the poor bandwidth in the school makes its video advising system ineffective. According to its founder, Mytonomy is forced to "recommend that our system be used at Starbucks instead of at school."

Educreations

Educreations allows teachers and students to create digital "screencasts" or lessons using an interactive whiteboard. More than three million screencasts have been created using Educreations and are available for anyone to use (and they are free). This growth is only made possible through reliable, high-speed broadband that ensures that teachers and students can watch the videos they've created, and record new lessons as they progress with their learning.

These are just three examples that illustrate the opportunity of digital learning and the importance of building the necessary broadband infrastructure to support it. As your critical work continues, NewSchools stands ready to offer its support for modernizing and upgrading E-rate to bring the program fully into the digital age.

Again, we thank you for this opportunity to provide our comments to the FCC's efforts to modernize the E-rate program. Should you be interested in learning more from the entrepreneurs and educators with whom we work, please contact Shauntel Poulson with NewSchools Venture Fund at 415-615-6860.

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